

IES 7, Continuing Professional Development (Revised)

This summary provides an overview of the IAESB's revisions to IES 7, *Continuing Professional Development*.

Objective:

Revising International Education Standard 7, *Continuing Professional Development*, clarifies the principles and requirements outlined in the standard to enhance:

- Consistency, quality, and relevance of Continuing Professional Development promoted to and undertaken by professional accountants;
- Understanding, adoption and implementation of IES 7 (Revised) principles and requirements included in professional accountancy organization CPD programs; and
- Understanding of how a learning outcomes approach for CPD programs can be aligned with the principles and requirements of IES 7 (Revised).

IES 7 (Revised) continues to establish that professional accountants, regardless of sector or size of the organization in which they operate, undertake relevant CPD to develop and maintain professional competence to perform their role as a professional accountant.

Revising IES 7 will enhance accountability in building and improving the quality and consistency of professional accountancy education and, as a result, the competence of professional accountants through CPD.

Why was the revision needed?

Various IAESB outreach activities and research efforts revealed that extant IES 7 principles and requirements are not well understood and inconsistently applied, which does not serve the public interest.

Effective Date:

January 1, 2020. Early adoption is encouraged.

For More Information:

Visit the IAESB website: www.iaesb.org/

What changes were made to IES 7?

The IAESB revised IES 7 to address observed inconsistencies by PAOs in applying the standard.

The IAESB clarified both requirements and accompanying explanatory material. IES 7 (Revised):

- Requires professional accountants undertake and record relevant CPD that develops and maintains professional competence necessary to perform their role as professional accountants;
- Describes learning and development activities that PAOs may promote for CPD, including examples of planned and unplanned activities that are often associated with a learning outcomes approach and measured using an output-based approach;
- Explains the use of a CPD framework that provides an example structure and guidance to help professional accountants identify, undertake, and record relevant CPD;
- Clarifies the output-based measurement approach by requiring professional accountants develop and maintain professional competence that is demonstrated by achieving learning outcomes relevant to performing their role as a professional accountant;
- Clarifies the input-based measurement approach by requiring professional accountants develop and maintain professional competence that is demonstrated by completing a specified amount of learning and development activity relevant to performing their role as a professional accountant;
- Provides examples on how both measurement approaches can be accomplished; and
- Links explanatory material on CPD measurement approaches with examples of related verifiable evidence to improve their adoption.

How are PAOs impacted by IES 7 (Revised)?

IES 7 (Revised) clarifies requirements and clarifies where and how IFAC member organizations may provide assistance to their members.

To assist professional accountants develop and maintain their professional competence, IES 7 (Revised) requires IFAC member organizations:

- Promote the importance of, and a commitment to, lifelong learning;
- Facilitate access to CPD opportunities and resources for professional accountants; and
- Adopt and implement appropriate CPD measurement, monitoring, and enforcement procedures.

IES 7 (Revised) continues to require IFAC member organizations use either the output-based approach, input-based approach, or both.

- The requirement on the use of an output-based measurement approach establishes that the IFAC member organization measures CPD by determining whether professional accountants can demonstrate the achievement of learning outcomes relevant to performing their role as a professional accountant. The accompanying explanatory material improves understanding and application of this measurement approach by:
 - Providing examples of verifiable evidence that could be used to demonstrate that learning outcomes have been achieved;
 - Defining learning outcomes and explaining how they can be achieved; and
 - Identifying sources that can assist in establishing learning outcomes.
- The requirement on the use of an input-based approach establishes that the IFAC member organization measures CPD by determining whether professional accountants can demonstrate the completion of a specified amount of learning and development activity relevant to performing their role as a professional accountant. The accompanying explanatory material provides further application guidance by:
 - Providing examples of verifiable evidence that could be used to demonstrate that learning and development activities were completed, and were relevant to the professional accountant's role;

How are PAOs impacted by IES 7 (Revised) (Cont'd)?

- Identifying types of input measures and providing examples of how they can be used to specify an amount of relevant professional development activity within a period of time; and
- Shifting the focus from relying on an IES-prescribed minimum number of hours toward identifying a specified amount of learning activity that is necessary for professional accountants to develop and maintain professional competence in the IFAC member organization's jurisdiction.

To assist IFAC member organization's application of the revised IES 7 requirements, the explanatory material provides examples of recognized good practice, such as:

- Periodically reviewing of CPD policies and the application of IES 7 requirements.
- Determining which professional accountant roles may be considered most relevant to protecting the public interest and adopt more rigorous monitoring accordingly.
- Conducting a set of monitoring processes on a cyclical basis.
- Establishing a board or committee to oversee CPD requirements and monitoring and enforcement process.
- Setting up sanctions that may be imposed for non-compliance in a jurisdiction.
- Publishing the names of professional accountants who fail to comply with CPD requirements.

Finally, IES 7 (Revised) identifies a number of areas where IFAC member organizations can assist their membership by providing guidance that:

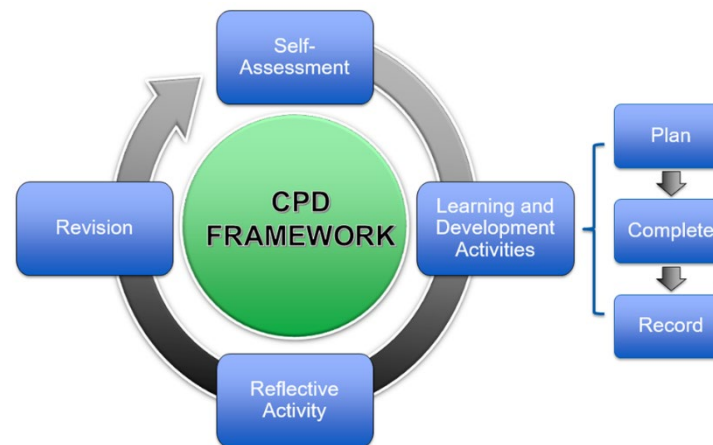
- Helps identify, plan, and record relevant CPD;
- Encourages members to discuss their CPD needs with their employers, colleagues and member organization as well as other professional organizations;
- Identifies learning and development activities, including planned and unplanned activities, or learning outcomes that are relevant to the roles and functions of professional accountants in a jurisdiction;
- Describes the extent of CPD that can be obtained from a single learning and development activity undertaken more than once; and
- Explains the professional accountants' responsibilities in retaining appropriate CPD records and documentation and providing, on request, verifiable evidence of compliance.

How are Professional Accountants impacted by IES 7 (Revised)?

IES 7 (Revised) continues to set out the responsibility of professional accountants to develop and maintain professional competence through relevant CPD activities.

IES 7 (Revised) continues to acknowledge that developing and maintaining professional competence through CPD is ultimately the professional accountant's responsibility.

IES 7 (Revised) introduces a conceptual CPD framework to help professional accountants identify, undertake and record relevant CPD. To help professional accountants meet their responsibility for developing and maintaining professional competence, the framework provides professional accountants with a suggested structure for undertaking CPD.



- Perform self-assessment activities to identify relevant learning outcomes and personal development gaps (e.g., competency maps)
- Plan for (e.g., learning plan template), complete, and record learning and development activities (e.g., learning record templates)
- Evaluate and undertake reflective activity on completed learning and development activities
- Revise the learning and development plan accordingly

How are Professional Accountants impacted by IES 7 (Revised) (Cont'd)?

In addition, the clarified requirements and explanatory material in IES 7 (Revised) continue to encourage professional accountants to:

- Anticipate and adapt to changes in processes, technology, professional standards, regulatory requirements, and employer demands;
- Engage with employers, colleagues, IFAC member organizations, and other professional organizations to help identify competence gaps or learning and development gaps;
- Include an appropriate balance of planned and unplanned learning and development activities in learning plans;
- Retain appropriate CPD records and documentation and provide verifiable evidence of compliance; and
- Recognize that willful failure to develop and maintain professional competence represents a violation of a code of ethics that may result in disciplinary action and diminish the professional accountant's ability to act in the public interest.